

**Washington State Health Care Innovation Plan:
Achieving and Maintaining Better Health in Washington State**

A. DRAFT State Goals

1. Vision Statement

- a. By 2019, the people of Washington state will be healthier because our state has collectively shifted from a costly and inefficient non-system for health care to aligned health systems approaches focused on achieving common targets for better health, better care, improved quality, lower costs, improved person and family experience, prevention and reduction of disparities.
- b. Five-year roadmap for transformation focused on key goals:
 - i. Seamless, integrated care from the individual's perspective, with initial focus on physical and behavioral health and Medicaid populations
 - ii. Enhanced health promotion and prevention capabilities aimed at high-risk populations
 - iii. Community health supports and resources linked with health care delivery
 - iv. Paying for appropriate, value-based care and improved outcomes through aligned multipayer activities
 - v. Improved and transparent health plan and provider performance
 - vi. Identification and adoption of effective strategies aimed at overuse, misuse and underuse of care
- c. Principles for transformation:
 - i. Driving better care and health requires aligned transformation on the part of all health and health care stakeholders—health plans, employers, purchasers, providers, and informed, engaged individuals and families
 - ii. Shared administrative and clinical data, uniform performance measures and evaluation are important drivers for all transformational initiatives
 - iii. Cost-effective, person-centered care demands better aligned incentives at payment and benefit design levels
 - iv. "Health system" must be more broadly defined to incorporate disease prevention and community-based programs and strategies

2. Current state of Washington's health system models and payment systems

- a. Fragmentation and barriers to whole-person care and continuity of care

- b. Consolidation and integration
 - i. Urban
 - ii. Rural
 - c. Payment, network and benefit design
 - i. High prevalence of fee for service and slow emergence of insurer and provider-specific innovative payment models and benefit design
 - ii. High prevalence of PPO-wide network plan designs
 - iii. Low prevalence of benefit designs that encourage both improved health outcomes and price sensitivity
 - d. Unwarranted variation
 - e. Gaps in data driven improvement, transparency initiatives, purchaser leadership
 - f. Gaps in statewide health information sharing within and across systems of care
 - g. Gaps in practice transformation support
 - h. Lack of a shared plan for systems transformation, priorities, aligned financing/incentives, and measures and accountabilities
 - i. Gaps and efficiencies in State's role as an effective market organizer, innovator, leader, purchaser, payer
 - j. Innovation in Washington today
- 3. Future health system – channeling health plan and provider competition toward greater value, fostering and supporting local transformation**
- a. Toward increasingly organized and accountable systems of care with regional responsiveness based on unique needs of communities and people
 - i. Integrate health services, with an initial emphasis on physical and behavioral health structural changes – recovery orientation
 - ii. Link and align health systems with community transformation initiatives
 - iii. Improve the efficiency of primary care and preventive systems
 - iv. Drive payer and provider competition toward innovative payment and benefit design models
 - v. Move care to less costly, more efficient settings/methods
 - vi. Reduce unwarranted variation and waste
 - vii. Support effective care management

- viii. Enhance data systems, performance measures, transparency and infrastructure
- ix. Build statewide infrastructure for practice transformation and community mobilization
- x. Support upstream approaches to identify and monitor vulnerable populations
- xi. Inspire engaged and empowered consumers who take responsibility for their own health
- b. Innovations toward transformation: Washington's three-legged stool – working synergistically to achieve overarching transformation:
 - i. Payment and benefit design reforms (progressively eliminate traditional fee for service models)
 - ii. Programs targeted to support, align and sustain practice and community transformation (e.g., primary care and team-based care support, delivery of integrated and bidirectional physical and behavioral health services, community collaborative alignment and capacity building)
 - iii. Data, measurement and transparency

B. Description of State Health Care Environment

1. Description of population demographics and profiles of major payers in the state including number of residents covered by commercial insurers, Medicare, Medicaid and CHIP
 - a. Population demographics
 - i. Washington vs. national statistics
 1. Data
 2. Discussion/narrative
 - ii. Within Washington
 1. Data
 2. Discussion/narrative
 - b. Profiles of major payers in Washington
 - i. Overview
2. Description of population health status and issues or barriers that need to be addressed, including health disparities
 - a. Health status
 - i. Washington vs. national statistics
 - ii. Within Washington
 - iii. Discussion/Summary
 - b. Leading causes of hospitalization (issue to be addressed: mortality)
 - i. Data

- ii. Discussion/summary
 - c. Leading causes of hospitalization (issue to be addressed: treatment costs)
 - i. Data
 - ii. Discussion summary
 - d. Chronic illness (issue to be addressed: palliative care and costs)
 - i. Data
 - ii. Discussion/summary
 - e. Young families (issues to be addressed: poor birth outcomes and early development of children)
 - i. Pre-conception to birth (mothers and babies)
 - 1. Data
 - 2. Discussion/summary
 - ii. Newborns → Toddlers → Elementary → Juvenile
 - 1. Data
 - 2. Discussion/summary
 - f. Behavioral health (issue to be addressed: quality of life & population health disparity)
 - i. Adults
 - ii. Children
 - g. Health systems structures (issue to be addressed: transitions and integration)
 - i. As is: Siloed
 - 1. Capability to provide coordinated, person-centered care across providers/payers
 - 2. Integration of physical and behavioral health
 - 3. Public health infrastructure
 - 4. Capacity of systems-level institutions/agencies/entities to consider the social determinants of health and to work collaboratively
- 3. Opportunities or challenges to adoption of Health Information Exchanges (HIE) and meaningful use of electronic health record technologies by various provider categories, and potential strategies and approaches to improve use and deployment of HIT.**
 - a. Overview
 - i. Current nationwide and statewide HIE/HIT environments
 - 1. Transitory phase
 - b. HIE adoption in Washington state (opportunities/strategy)
 - i. Washington state an early adopter of HIE
 - ii. EHR adoption appears to be above average in Washington compared to nation as a whole
 - c. HIE organization for Washington state (strategy)
 - i. OneHealthPort
 - 1. Responsibilities
 - 2. Oversight for OneHealthPort's implementation

3. Scope of HIE
 - ii. Challenges
 1. Current state environment and gap analysis
 - iii. Approaches to improve use and deployment of HIT
- d. Medicaid HIT five-year roadmap
4. Description of the current health care cost performance trends and factors affecting cost trends (including commercial insurance premiums, Medicaid and CHIP information, Medicare information, etc.).
 - a. Overview
 - i. Overall health care cost trend
 - b. State purchasing costs
 - i. Medicaid
 1. Cost forecast
 2. Expansion of Medicaid
 - ii. Public Employee Benefits
 1. Cost trend data narrative
 - iii. Medicare
 - c. Commercial – Individual and employer-based coverage
 - d. Discussion of the difference in costs for each payer type
 - i. Private vs. Medicare vs. Medicaid
 1. Factors affecting costs trends
5. Description of the current quality performance by key indicators (for each payer type) and factors affecting quality performance.
 - a. Current system to assess quality performance
 - i. Lack of alignment across purchasers & payers
 1. Process requirements vs. health outcomes
 - ii. Performance measure inventory
 - b. Current quality performance indicators/measures
 - i. Washington state databases and other existing efforts and current uses
 - ii. Performance indicators/measures in use in Washington
 - iii. Performance on key measures
 - iv. Gaps in measures and systems
6. Description of population health status measures, social/economic determinants impacting health status, high risk communities, and current health status outcomes and the other factors impacting population health.
 - a. Introduction
 - i. Social determinants of health, generally
 - ii. DOH's role, surveillance, research, analysis

- iii. DOH findings that household income and education are strong predictors of health status, even when controlling for age, race, ethnicity
 - iv. Amenable deaths
 - b. Social and economic determinants impacting health status of Washingtonians
 - c. Other risk factors
 - i. Maternal health
 - ii. Lifestyle
 - iii. Behavioral health
 - iv. Others
 - d. Workforce
 - i. Physical health
 - ii. Mental health
 - iii. Chemical dependency
 - iv. Other health professions
- 7. Description of specific special needs populations (for each payer type) and factors impacting care, health, and cost.
 - a. Overview
 - b. DSHS
 - c. Other special needs populations
- 8. Description of current federally-supported program initiatives under way in the state, including those supported by but not limited to CDC, CMMI, CMCS, ONC, HRSA and SAMHSA.
 - a. Overview
 - i. Key program activities
 - 1. Streamlining metrics and quality measures across projects to assure administrative efficiencies
 - 2. Develop inclusive communication system to interface all CMS programs
 - 3. Collaboration of statewide and local education campaigns and webinars to unify consistent message
 - 4. Assessment of strength of program linkages in evaluation
 - ii. CMS federal initiatives in Washington
 - 1. Medicare Shared Savings Program
 - 2. Aging and Disability Resource Centers
 - 3. Partnership for Patients: Hospital Engagement Network organizations
 - 4. Money Follows the Person Demonstration: Roads to Community Living
 - 5. Community-based Care Transitions program
 - 6. Medicaid Emergency Psychiatric demonstration
 - 7. FQHC Advance Primary Care Practice demonstration
 - 8. Section 2703 Health Homes
 - 9. Dual Eligibles project

10. Others

- iii. CMMI initiatives in Washington
- iv. CMCS initiatives in Washington
- v. HRSA initiatives in Washington
- vi. SAMHSA initiatives in Washington
- vii. Federally-supported Tribal Program initiatives in Washington

9. Description of existing demonstration and waivers granted to the state by CMS.

- a. Overview
- b. Description of existing demonstrations and waivers in Washington

C. Report on Design Process Deliberations

1. Overview of governance structure, thought leader engagement, and broad stakeholder engagement

2. Project principles

- a. Select aims, strategies and tactics that are focused and aligned
- b. Build a five-year plan with improvement that build on each other over time
- c. Set clear metrics, using population-based denominators where appropriate
- d. Invest in cross-cutting systems, capabilities and interventions that support multiple populations and communities
- e. Focus on areas with demonstrated return on investment, or high potential for future return on investment
- f. Ensure ongoing sustainability is a major criteria when considering use of potential future testing dollars
- g. Aim first where there are indications of system and community readiness, the will to change, and sustainability plans in place
- h. Promote a culture of innovation, learning and community collaboration among and across governmental and private organizational settings

3. Considerations of strategies and tactics

- a. Describe stakeholder engagement, options considered, consensus reached, and disagreement that remained at the close of deliberations for the following:
 - i. Impacts 80 percent across all populations in the state over five years
 - ii. Integration of primary care and behavioral health
 - iii. Plans for measurement and evaluation to determine the outcome of physical-behavioral health integration
 - iv. Role of public health to achieve better care, better health and lower costs across all payers

- v. Integration of early childhood and adolescent health prevention strategies with the primary and secondary educational system to improve student health
- vi. Leveraging community stabilization development initiatives in low-income communities and encouraging community investment to improve community health
- vii. Coordination of work and participation between health care providers and public health
- viii. Engagement of providers committed to delivery system transformation
- ix. State convening and collaboration with non-profit hospitals community benefits/community building plans
- x. Incorporation of multiple payers
- xi. Commitment of resources or funding to delivery system transformation from commercial payers
- xii. “Winnable battles” assisting progress in payment and delivery system reform
- xiii. Innovative approaches to workforce, considering training, professional licensure and scope of practice
- xiv. Evaluation plan to inform authorities/policy makers on merits of plan

D. Health System Design and Performance Objectives (primary drivers may be shared among the two draft aims)

1. Draft aim: Promote well-being and eliminate systemic barriers to health and recovery for individuals at risk for or experiencing mental health and substance abuse challenges.
 - a. Draft primary driver #1 – bi-directional seamlessness/integration of behavioral and physical health care and social supports for individuals with co-morbidities
 - b. Draft primary driver #2 – enhanced early disease prevention and mitigation strategies throughout the lifespan – toward accountable communities of health
2. Draft aim: Washington state payers and providers will compete based on their ability to improve health outcomes, reduce total cost of care, and improve individual’s experience as measured by consistently applied quality and performance metrics. Effective prevention and community health will be shared priorities.
 - a. Draft primary driver #1 –transparent, uniform payer and provider cost/quality measurement as a system priority
 - b. Draft primary driver #2- value-based benefit design and consumer engagement tools and supports
 - c. Draft primary driver #3- Washington State will enhance its leadership role in driving and facilitating major purchaser alignment around adoption of widespread value-based payment methods and benefit and delivery system redesign

- d. Draft primary driver #4 –best practices aimed at overuse, misuse and underuse of care are systematically identified and spread through collaborative efforts, purchaser demand and implementation support
- e. Draft primary driver #5 – aligned State contracting practices, workforce policies, licensure and regulatory standards that reinforce primary aims
- f. Draft primary driver #6 – empowered and accountable communities of health—both urban and rural—through supportive information infrastructure, practice transformation support and innovative financing strategies
- g. Draft primary driver #7 – aligned State goals and outcome measures across State agencies with a role in Washington’s health

E. Proposed Payment and Delivery System Models Responsive to the Needs of Individuals and Communities – the three-legged stool applied (under development)

- 1. Integrated physical and behavioral health, including recovery supports, as a catalyst for whole-person care (recognizing phasing of five-year plan)
- 2. Enhanced team-based care and chronic care management
- 3. Acute care interventions using the most appropriate care and settings
- 4. Timely and person-centered end-of-life and palliative services
- 5. Enhanced early disease prevention and mitigation
- 6. Enhanced State responsibility for and catalyst of cross-cutting systems and strategies in support of organized and accountable systems of care

F. Health Information Technology

- 1. Leveraging Washington state’s high rate of EHR adoption, ensure meaningful data for measurement, coordination, quality improvement, individual/provider education/engagement, and improved care delivery
 - a. Infrastructure for statewide sharing of information
 - b. Augment the State’s role in ensuring health information is interoperable and follows the person
 - i. How activities coordinate with statewide HIT initiatives to accelerate adoption of health information technology among providers

- ii. How activities reach providers in rural areas, small practices and behavioral health providers
- c. Cost allocation plan or methodology for any planned IT system solutions/builds funded in part by CMS or any other federal agency
- d. Impact on ProviderOne, PRISM and other state information systems, and how they will be used to support the Plan
 - i. Planning and implementation timelines for the needed changes to ProviderOne, PRISM, and other state information systems, and how these timelines will dovetail
 - ii. Medicaid HIT five-year roadmap

G. Workforce Development

1. Improve the effectiveness, efficiency and appropriate mix of the health care work force to create and support accountable communities of health and whole-person care
 - a. Policies regarding training, professional licensure, and expanding scope of practice statutes, including strategies to enhance primary care capacity
 - b. Integration of community health care manpower needs with graduate medical education, training of allied health professionals, and training of direct service workers
 - c. How to move toward a less expensive workforce that makes greater use of community health workers (e.g., community connectors, peer support)
 - d. Urban versus rural needs

H. Financial Analysis

1. Populations being addressed and their respective total medical and other services costs as per member per month and population total
2. Estimated cost of investments necessary to implement the Plan, including ongoing costs to providers, infrastructure costs including personnel and vendors
3. Anticipated cost savings resulting from specified interventions, including the types of costs that will be affected by the model and the anticipated level of improvement by target population

4. Expected total cost savings and return on investment during the project period for the overall state model and basis for expected savings (previous studies, experience, etc.)
5. Plan for sustaining the overall model over time

I. Evaluation Plans

1. Plans to provide access to data and stakeholders to enable CMS to evaluate the extent to which the state's delivery system reform plan was implemented, its effect on health care spending, and its impact on health care quality
2. Identification of potential sources of data including provider surveys, Medicare administrative claims, state Medicaid and CHIP program information, beneficiary experience surveys, site visits with practices, and focus groups with beneficiaries and their families and caregivers, practice staff, direct support workers, and others (e.g. payers), for program evaluation
3. Plans to play an active role in continuous improvement and evaluation, particularly in regard to Medicaid and CHIP benefits

J. Roadmap for Health System Transformation

1. Timeline for transformation
 - a. Phasing innovations over five years
 - i. Infrastructure development
 - ii. Legislation
2. Milestones and opportunities
3. Necessary policy, regulatory and/or legislative changes
4. Federal waiver or state plan amendment requirements and their timing, including changes or additions required to position the Medicaid and CHIP programs